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AN
A P P E A L
TO THE
PEOPLE OF GREAT BRITAIN,
ON THE
PRESENT ALARMING STATE
OF THE
PUBLIC FINANCES,
AND OF
PUBLIC CREDIT.

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HEU! PRISCA FIDES.

VIRG.

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BY WILLIAM MORGAN, F.R.S.

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FACTS,

Addressed to the serious Attention of the People of
Great Britain, respecting the **EXPENCE** of the
WAR, and the **STATE** of the **NATIONAL**
DEBT. 4th Edition. Price 1s.

Also,

ADDITIONAL FACTS, on the same Subject.
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ADVERTISEMENT.

IT was my intention to have incorporated my two former tracts on the subject of the Finances, and to have made such alterations in the statements as should have adapted them to the circumstances of the present time. But the expenditure of one year is so far surpassed by the greater expenditure in the year that succeeds it, and the minister's operations of finance are so perpetually changing from bad to worse, that I have been induced to relinquish my first design, and to engage in the less arduous task of composing an entire new work.

The

The apprehensions which I have expressed in the following pages respecting further loans in this year, are now likely to be verified to a much larger extent than I had imagined; and, therefore, all that I have maintained in regard to the unprovided services of the year is fully confirmed. When these loans are funded, the capital of the public debts will be considerably greater than I have stated it to be. I am not, however, disposed at present to enter further into this subject—not only as I find it impossible to keep pace with the growing profusion of the war, but also as the debts, even according to my more favourable accounts of them, are already, in my opinion, rather greater than can be well supported by the utmost energies of the country.

April 8, 1797.

INTRODUCTION.

IN the course of the last year, I laid before the public a series of important facts on the subject of the finances, with the view of awakening their attention to the dangers with which they were threatened, and with the hope of kindling an effectual opposition to that system of war and profusion which has too long been suffered to depopulate and impoverish the nation.

After a fruitless struggle of four years, which has been signalized by a greater destruction of human life and property than

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ever

ever before desolated the world in the same length of time, and when every principle is abandoned which we were first excited to defend, we are now called upon to renew our exertions in a contest which holds forth no determinate object to be attained, and offers no other prospect of its conclusion than in the utter ruin of those resources by which it is supported. The extravagance and the disasters which so eminently distinguish this war are not more surprizing than the torpid indifference with which they have been endured—an indifference which has not only injured but even disgraced the nation. Believing it, however, impossible, in the present moments of increasing danger and difficulty, that the same delusion should still continue, I am induced to make another appeal to the public, and to submit some additional facts to their consideration, which will prove the enormity of our grievances, and point out the

authors

authors of them as objects of our warmest indignation.

One of the pretended motives to this war, has been *the defence and preservation of property*, and it must afford some consolation to the friends of suffering humanity, to be assured, that if it be continued a little longer on the present system of expence, it will be the last war we shall ever have occasion to wage on that account. It is but seldom, I believe, that the real interests of a country derive much improvement or support from wars and taxation; and if any attack on our property was ever seriously meditated in the present instance, we seem to have fatally mistaken the quarter to which our defence should have been directed: for while our efforts have been employed with various success against the ravages of our enemies abroad, they appear to have opposed a very feeble resistance to the depredations of our more formidable

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enemies

enemies at home. Should any doubts, however, be entertained on this subject, they will be removed with little difficulty by a dispassionate perusal of the following statements.

A N
A P P E A L,
&c.

SECTION I.

*On the growing Expences, and the growing
Abuses of the War.*

THE expences of the first three years of this war had so far exceeded those of all former wars, that public profusion might have been supposed to have attained its utmost limits, had not the experience of a fourth year succeeded, which has shewn the vanity of this supposition, and given us reason to apprehend, that no other limits are to be assigned to the extravagance of ministers than those of the resources of the country. In order to be convinced of this alarming truth (if it be possible

3 fible

sible to hesitate a moment on the subject) it will be only necessary to observe the increasing prodigality of every year, and particularly the accelerated progress which is made in that part of the expenditure which has not been previously sanctioned by parliament. This is an abuse of the most dangerous tendency, which, for the last century, has been gradually extending its inroads upon the constitution. In the two preceding wars it had advanced with such rapid strides as to excite the well-founded jealousy and apprehension of the friends of liberty; but the following statements will shew, that in those periods it was very far from having attained, or even approached, the bounds of its greatest enormity.

WAR ESTABLISHMENT.

1755.			1778.			1793.		
<i>With the previous</i>			<i>With the previous</i>			<i>With the previous</i>		
content of parliament.			content of parliament.			content of parliament.		
Army	1,129,713	504,977	Army	3,432,096	2,200,223	Army	3,630,694	1,647,616
Navy	1,014,288	1,381,503	Navy	4,001,895	2,172,033	Navy	3,396,915	3,273,375
Ordnance	119,316	146,722	Ordnance	382,816	521,936	Ordnance	729,453	701,281
	2,263,317	2,033,202		7,816,807	4,894,192		7,757,062	5,622,272
1756.			1779.			1794.		
Army	2,287,297	697,547	Army	4,013,189	3,026,137	Army	5,627,755	5,603,968
Navy	3,049,021	559,939	Navy	4,589,069	3,182,271	Navy	5,525,331	3,590,232
Ordnance	152,435	276,065	Ordnance	395,439	591,466	Ordnance	701,736	1,291,348
	5,488,753	1,533,551		8,997,697	6,799,874		11,854,822	10,485,548
1757.			1780.			1795.		
Army	2,532,762	1,322,369	Army	4,384,693	3,418,806	Army	8,410,390	7,237,730
Navy	3,303,932	1,424,960	Navy	5,503,284	3,514,750	Navy	6,315,323	7,008,940
Ordnance	161,557	210,302	Ordnance	458,136	547,182	Ordnance	1,176,804	1,201,625
	5,998,251	2,867,631		10,346,113	7,480,738		15,902,717	15,418,295

WAR ESTABLISHMENT—Continued.

1758.

<i>With the previous</i>		<i>Without the previous</i>	
content of parliament.		content of parliament.	
Army	4,105,964	Army	1,166,785
Navy	3,574,421	Navy	1,412,461
Ordnance	181,505	Ordnance	323,987
	<hr/>		<hr/>
	7,861,890.		2,903,233
	<hr/>		<hr/>

1781.

<i>With the previous</i>		<i>Without the previous</i>	
content of parliament.		content of parliament.	
Army	4,377,317	Army	4,343,218
Navy	5,736,277	Navy	4,145,822
Ordnance	869,302	Ordnance	899,724
	<hr/>		<hr/>
	10,982,896		9,388,764
	<hr/>		<hr/>

1796.

<i>With the previous</i>		<i>Without the previous</i>	
content of parliament.		content of parliament.	
Army	7,024,735	Army	7,874,646(a)
Navy	7,052,552	Navy	9,158,924(b)
Ordnance	875,189	Ordnance	1,246,486(c)
	<hr/>		<hr/>
	14,952,776		18,280,056
	<hr/>		<hr/>

In 1775	2,263,317
1776	5,488,753
1777	5,998,251
1778	7,861,890
	<hr/>
	21,612,211

Whole Expenditure in 4 years

30,949,828
<hr/>

In 1778	7,816,807
1779	8,997,697
1780	10,346,113
1781	10,982,896
	<hr/>
	38,143,513

Whole Expenditure in 4 years

66,797,081
<hr/>

In 1793	7,757,062
1794	11,854,822
1795	15,902,717
1796	14,952,776
	<hr/>
	50,467,377

Whole Expenditure of 4 years

100,323,548
<hr/>

(a) It is very strange that these extraordinary which on the 4th of December were 7,767,683*l.* should have increased, during the whole of that month, only 106,963*l.* although the minister had estimated the probable increase at 600,000*l.* This is the first instance, I believe, in which he has erred by over-rating the future expenditure. But the accounts of the year 1797 will probably explain the mistake.

(b) See SPEC. 2d.

(c) This sum is the average of the extraordinary of the Ordnance during the last two years. The exact amount is never known till the beginning of the following, and sometimes of the 2d year, as proved to be the case in regard to the expense of the year 1795. In April 1796, the expense of that year was not known to have exceeded the sum of 4,912,240*l.* See my Additional Facts, page 10.

Here then we see the progress of an abuse, which, after having increased by imperceptible degrees during half a century, has advanced from the beginning of the seven years war with a rapidity which threatens the utter annihilation of our rights and property. It might however have been expected in the present war, where the estimates have so far surpassed all that ever preceded them, that the extraordinaries would have been proportionably moderate; but the enormity of the one is no security against a greater enormity in the other, and the administration of our affairs in the last year has been distinguished, for the first time in the annals of this country, by a far greater expenditure *without* than *with* the previous consent of Parliament. Nay, the abuse in this year is aggravated by the circumstance of its having increased in a more tremendous degree than ever, while the estimated expences in it were nearly one million *less* than they had been in the preceding year. If this course is to be still pursued; or, in other words, if the estimates are to be continually reduced in proportion as the extraordinaries are increased, the public expenditure will soon become entirely subject to the discretion of the minister,

while Parliament will have no other share in the management of it than to vote the payment of those sums which have been squandered without their sanction or controul. But this evil is not injurious to Parliament only ; it extends its pernicious effects to the whole body of the nation ; for by giving them false statements of the expences of the year, they are led to acquiesce in the continuance of the war, and being thus enticed by one delusion after another, they are prevented from perceiving their ruin till it is too late to avoid it.

The magnitude of this expenditure is not more exceptionable than the particulars of which it is composed. In the long list of Army Extraordinaries, which include the travelling expences of confidential emissaries, the salaries of civil officers, and other articles which seem to have very little connection with the army, are contained the bills drawn by Government upon the Treasury, which amount to a sum that must astonish every person in the least acquainted with the history of this country. Before the commencement of the seven years war, there is hardly a trace to be found of any such bills in the Journals of Parliament. During the whole of that
war

war they amounted to 39,000*l.* nearly; and from its conclusion to the beginning of the American war they amounted on an average to about 32,000*l. per annum.* In the course of the American war, when abuses of every kind had become more flagrant and enormous than ever, these bills had gradually increased so as at last to exceed 100,000*l. per ann.* and, in consequence, to excite the alarm and indignation of the friends of liberty and public œconomy. But, compared with its tremendous growth in the present war, the evil appears in that period to have only been in its infancy. In the year 1755, when this expensive correspondence with the Treasury seems to have begun, the whole amount of the bills drawn by the governors did not exceed 850*l.* In the year 1756, they were 1969*l.* In the year 1776, they had risen to 90,909*l.* What they were in the last year, or 1796, may be learned from the following statement :

Bills drawn on the Treasury in the year 1796, by the			
			<i>L.</i>
Governor of Guernsey	-	-	9,016
Dominica	-	-	59,096
Jamaica	-	-	4,743
			<hr/>
			72,855
C 2			Brought

Brought over			£.
			72,855
Nova Scotia	-	-	6,184
Bahama Islands	-	-	20,804
St. Domingo	-	-	1,181,020
Corfica	-	-	57,764
Bermuda	-	-	8,421
St. Vincent's	-	-	8,033
Gibraltar	-	-	5,655
St. Kitt's, Tobago, &c.	-	-	4,070
			<hr/>
			£1,364,806
			<hr/>

The extraordinary services which required these unprecedented demands are neither stated nor known. The expences, in the present instance, have been incurred not only without the previous consent of Parliament, but even without the consent or knowledge of the treasury; and the nation, in this growing profusion of the governors, enjoys the consoling prospect of soon having as many Chancellors of the Exchequer as it has foreign settlements and dependencies.—Considered in this light, it is perhaps a fortunate circumstance that our conquests, particularly in the West Indies, have been so very inadequate to our expences; for if the possession of a narrow neck of land in *St. Domingo* has obliged the governor of that district to expend above

1,100,000/.

1,100,000*l.* on the extraordinaries in his single department, what must have been the amount of that expenditure, if the whole island had been in our possession? * But this discretionary power of drawing upon the Treasury is not confined to the governors alone; the same privilege is assumed by the military commanders, the commissaries, the deputy commissaries, the deputy-pay-masters, and by almost every other officer who is employed in the public service. The following articles are selected in order to give some idea of the enormity of this evil.

Bills drawn on the Treasury in the year 1796. †

By the military commanders —	—	101,694
Deputy-paymasters —	—	105,636
Presidents of the different councils		7,058
Commissaries-general —	—	1,705,776
Deputy commissaries —	—	502,145
Public treasurers of St. Vincent's and Grenada	}	22,304
		<hr/> £2,444,613 <hr/>

* Exclusive of these immense drafts of the governor in the last year, about *eleven hundred thousand pounds* have been drawn by the commander, the commissary, and other officers in this destructive island.

† The whole amount of the bills drawn upon the Treasury in 1796, exclusive of those drawn for wheat for the Emperor, and for the Prince of Conde's army, is,

While the national treasure is exhausted through so many channels which are continually enlarged and multiplied, it is no wonder that public profusion should increase, and that the most extravagant estimates should every year be succeeded by a still more extravagant expenditure. Under the old government of France, when the Marshals *de Richelieu*, *de Soubise*, &c. commanded their armies, the same kind of credit upon the Treasury was allowed to those generals, and it appears to have been used with the same discretion. But in that country the expences of their war-establishment and the abuses they engendered, are

From the Windward and Leeward Islands	£.
St. Domingo — —	723,384
Corfica and the Mediterranean —	2,211,069
Jersey, Guernsey, and Alderney	435,367
St. Vincent and Grenada —	60,179
The Continent, by Commissary Watson's deputies — —	74,151
By the deputy commissary to the army under the command of General Doyle —	187,631
Colonel Nesbitt, inspector-general of foreign corps — — —	16,930
Miscellaneous, including-governor's allow- ances to Toulonese, &c. —	187,113
	219,373
	<hr/>
	£4,115,197
	<hr/>

known

known to have produced the ruin of their finances, and, in consequence, the ruin of the government itself. In this instance, therefore; at least, “the example of France ought to serve as a warning to Britain.”

SECTION

SECTION II.

On the NAVY DEBT.

WHILE the army extraordinaries have been increasing every year with such an accelerated progression, the extraordinaries of the navy appear also to have proceeded with equal rapidity, and, by the new operations of finance which they have occasioned, to have proved more injurious to the public than any of the numerous abuses which have been engendered by the present war. In the papers which are annually laid before parliament respecting the army extraordinaries, some account (though not a very particular one) is given of the different articles which constitute that expenditure; but as to the navy extraordinaries, the guardians of the public purse are satisfied with the general amount, and the millions which have been squandered in this depart-

department, without their knowledge or consent, are voted without inquiry or animadversion. If, however, these accounts were to be now framed with the same regard to truth which appears to have distinguished them in former times,* I do not know that
much

* The following extract of a letter from a friend, who has often distinguished himself in the service of his country by his zeal and his talents, will give some idea of the accuracy with which the public accounts were formed about thirty years ago.

“ In the year 1764, I commanded a cutter in the channel, and, being in want of some trifling articles of refitment, put into Plymouth. Having soon obtained what I wanted, and attending prior to my departure at one of the dock-yard offices, my eye was attracted by a sheet of large elephant paper lying open upon the desk. It contained a statement drawn up in columns, with a title in large characters, explaining it to be an account to be laid before the House of Commons, of the application of monies appropriated, and sent down to that dock-yard.

—“ As the little vessel I commanded, named the *Sherburne*, had not, in my opinion, cost on that occasion more than thirty-five pounds, it appeared to me (then a young man) so insignificant an article of expenditure, that I scarcely expected to find it noticed; rather supposing that so small a sum would have been included with others under a general charge of refitting small cruizers. Running my eye, however, down the proper column, the name of my little vessel soon appeared. How correct, thought I, must these public offices be to particularize expences so minute! But, on looking forwards to the money column, this sentiment was

much information could be derived from them, and therefore, we are perhaps in less danger of being misled by directing our inquiries to the *magnitude* rather than to the *particulars* of this expenditure.

On the 31st of December, 1796, the unfunded debt	£.
of the navy amounted to - - -	4,948,877
In the month of February in the same year were	
funded in the 5 per cents * - - -	4,223,994
	<hr/>
Carried over	9,172,871
	<hr/>

“succeeded by others of a different cast. The charge was
 “*twelve hundred* pounds.—Such at least is the report of my
 “memory, and, from the strength of the original impression, I
 “think I am correct. It is proper to add, that, on the first con-
 “venient opportunity, I communicated what I had seen, where
 “duty, and expectation of its being attended to, taught me
 “to communicate it.”

“J. C.”

In regard to this extraordinary charge, I have no doubt, with the writer of this letter, of the money's having been expended, but probably upon some other service which it was judged most prudent to conceal from public notice. The present ministers are constantly recurring to precedents in their own justification when accused of any abuses. I do not know, however, that they have been accused of adopting this as a precedent in the method of making up the public accounts.

* The whole of the stock amounted to 4,414,074*l*. some of which was funded at 104, and some at 105. Not knowing the exact proportion, I have supposed the whole upon an average to have been funded at 104½ per cent. for in this account the money actually expended, and not the funded stock, is intended to be given.

	Brought over	£. 9,172,871
In the month of April following were paid off of		
this debt - - - - -		500,000
In the month of November last were funded -		11,993,168
		<hr/> 21,666,039
Deduct the navy debt on the 31st of Dec. 1795		12,507,115
		<hr/>
Remains, a debt incurred in the year 1796, over		
and above the estimates, of - - -		9,158,924
		<hr/>

If this sum be added to 7,052,552*l.* (the money voted by Parliament for the service) it will appear that above sixteen millions have been expended on the navy alone in one year; and that too the very year in which our coasts were insulted by an enemy whose naval power was said to have been annihilated, and whose resources were stated to have been utterly swallowed up in the gulf of a bankruptcy.

The debts arising from these enormous extraordinaries, after having been incurred without use or œconomy, seem to have been discharged also without any regard to the public interest. The same profusion is displayed in every circumstance of this expenditure; and the following statements are given, not with the view of proving the existence, but the extent of the evil.

Bills issued in the months of	Value received for those bills at an average discount of	Stock funded in the three per cents at	Amount of the Stock, sup- posing them to be funded at the market price in those months.
	<i>L.</i>	<i>L.</i>	<i>L.</i>
October, November, & December, 1795,	2,820,042		
January, February, March, and April, 1796	3,741,083	58 —4,862,141	3,887,630
May, June, and July	2,478,042	56½ —6,621,380	5,226,512
August, September, and October	2,675,658	57 —4,347,403	3,677,730
		57½ —4,653,318	4,059,620
Interest due on the above bills	11,714,825	20,484,242	16,851,492
	278,342	488,315	488,315
	11,993,167	20,972,557	17,339,807
		Stock funded at the market price	
			17,339,807
		Difference	3,632,750

I have supposed all these bills to be funded in the *three* per cents. It is possible, however, that some of them (for this part of the account has not yet been laid before Parliament) have been funded in the *four* and *five* per cents.; but I do not imagine that these alterations are so considerable as to make any material difference in regard to what I have observed, on the extravagant manner in which the Navy debt has been provided for in the last year.

Hence it appears, that in consequence of the very great discount at which those bills were issued, a debt of 11,714,825*l.* was created for services which, if paid for in ready money, would have cost the nation only 10,946,917*l.* But, in order to render the extravagance still more enormous, this debt has again been funded in such a manner as to increase the *capital* above three millions and a half more than it needed to have been, if the exchange into stock had been made at the several periods in which the debt was contracted. The ruinous prodigality of Lord *North's* administration, particularly in regard to the navy expenditure, has often been reprobated by the minister and his adherents, and yet, during the whole course of that administration, there is not to be found such an instance of extravagance as the present. If the amount of the capital created be compared with the value of the property actually received by the public, it will appear that the former exceeds the latter by 9,747,298*l.* or, in other words, that the navy debt has been contracted in the last year upon the same terms as if the money had been borrowed by
funding

funding in the *three per cents.* at *fifty-three and a half*, while in May last, when the greater part of this debt was incurred, those very *three per cents.* were triumphantly stated in Lord Auckland's pamphlet to be at *sixty-six*, and the debt itself was not allowed in that correct publication to have any existence.*

It is impossible to regard the profusion which marks every stage of this extraordinary expenditure without indignation. After purchasing naval stores, in the first instance, at a very exorbitant price,† and engaging to pay

* See Lord Auckland's speech, page 41.—In page 40, the Navy debt unprovided is said to be 2,300,000*l.* and in page 41, the Bank advances are stated at 6,102,000*l.*; but in this very page, the amount of the unfunded and floating debt is said to be "none." There are not the only inconsistencies which might be noticed in that book, were the work itself deserving of any attention.

† The article of hemp, for instance, which was only 23*l.* a ton before the commencement of the war, is now risen to 50*l.* and upwards. In this article we have a specimen of the rate at which the capital of the public debt has been increased by the Navy expenditure. Supposing one ton to have been bought at 60*l.* in September last, and to have been paid for with a bill, at the discount, in that month, of 15 per cent.; the debt, in the first instance, must have been increased from 60*l.* to 69*l.* In the November following, by funding it, together with its interest, in the *three per cents.* at 57½, it was still farther increased

pay for them in the next with promissory notes at a discount equally exorbitant, the debt (as if it had not already been rendered sufficiently injurious to the public) is still further aggravated by the method in which it has been converted into a perpetual burden upon the country. The minister, unmindful of his former sentiments on the destructive consequence of funding in the *three per cents*.* seems, on this occasion, to have abandoned every principle of œconomy, and to have committed his boasted system of finance to the discretion of contractors and loan-jobbers. In the terms which were offered to the holders of Navy bills, they were left at liberty to fund them either in the three, the four, or the five per cents; or, in order words, each individual was left to choose whether his demand should be liquidated by increasing the *capital* or the *annual interest* of the public debt. If Mr. Pitt's sinking fund had been

creased to 120*l.*; so that for an article, which, about 4 years ago, might have been purchased for 23*l.* an addition is made to the capital of the public debt of 120*l.*

* See his speech against Lord John Cavendish's loan in the year 1783, published in *Debrett's Parliamentary Register*, Vol. VIII.

in the least regarded, this surely could not have been a matter of indifference: nay, he has himself admitted, and even enforced, the necessity of borrowing in a stock bearing a high rather than in a stock bearing a low rate of interest, in order to accelerate the operations of this very fund in discharging the debt.—If, on the contrary, every addition to the debt is to be considered as a perpetual annuity, and the country is never to be relieved from its burdens, the nominal capital of which this addition is formed will be of little consequence so long as the money is borrowed at a low rate of interest. On either supposition, therefore, this discretionary power ought not to have been allowed. Such a total disregard to every appearance of œconomy most seriously injures the country, by reducing its credit to the same level with that of a bankrupt tradesman, who, borrowing money without the hope of ever paying the principal or the interest, gives himself very little trouble about the terms upon which he has procured it.

The immense depreciation of Navy bills, which arose principally from their not having
been

been faithfully discharged in the stipulated term of fifteen months, has obliged the minister to have recourse to other expedients, and the contractors are now paid in common bills of exchange, which become due in the shorter term of three months. These bills, being made payable to order, are necessarily endorsed by the first holder, and admit of no higher discount than after the rate of 5*l.* per cent. without incurring the penalties of usury. But this is a wretched expedient, which will rather aggravate than remove the evil; for by thus purchasing naval stores with a medium which, in the present scarcity of cash, cannot be circulated, all competition is destroyed; the contracts can only be taken by a few over-grown merchants, who, in consequence of not receiving their money in less than three months,* will add much more to the price of their goods than the highest discount at which Navy bills have been issued. In this case, however, the extravagance becomes less glaring; and the minister will have it his

* When payment was made with Navy bills, they could immediately be taken to market, and they were generally sold for the sum which government allowed for them.

power to triumph in the success of a measure, which, while it bears the fallacious appearance of diminishing, does in fact oblige the Commissioners of the Navy to increase the public expenditure.

SECTION

SECTION III.

On the Amount of the Debts and Taxes incurred by the present War.

FROM the conclusion of the last to the commencement of the present war, the common peace-establishment had invariably exceeded the revenue *; and the annual deficiencies were supplied, either by borrowing upon a tontine, by gleaning the old arrears from the hands of the receivers, by seizing the unclaimed dividends at the Bank, or by other means equally new and extraordinary; so that the enormous profusion of the last four years, deriving no support from the ordinary resources of the country, has created such an accumulation of debts and taxes as to afford a much less equivocal proof of the ruinous expence of the war than either of its justice

* See my Review of Dr. Price's Writings, &c. chap. iii.

or necessity. That the public burdens, however, have not been alleviated by any particular skill or œconomy in the management of them, is a truth which admits of no dispute; but that their amount should so far surpass the extravagance of all former periods, may, perhaps, be neither so generally known nor acknowledged. In order, therefore, that this evil may be seen in its full extent, it will be necessary to add the following to the statements which have been already given in this work.

work.

Stock

Whole amount of
interest, &c.

Interest, including
management.

Whole amount of
principal.

Principal.

£.

£.

£.

£.

Stock borrowed in the 3 per cents in	1793	6,250,000			
Ditto, in	1794	14,000,000			
Ditto, in	February 1795	18,000,000			
Ditto, in	December 1795	26,100,000			
Ditto, for funding Exchequer Bills, &c. in	April 1796	10,875,000			
Ditto for funding Navy and Exchequer Bills* in Oct.	1796	25,397,347			
			97,622,347		2,972,599

Stock borrowed in the 4 per cents in	1794	2,750,000			
Ditto	February 1795	6,000,000			
			8,750,000		353,937

Navy Debt funded in the 5 per cents. in	1794	1,926,524			
Ditto	1795	1,609,898			
Ditto	April 1796	4,414,074			
Loan of 18 millions	December 1796	20,250,000			
			28,200,496		1,420,927

An Annuity of 63,498 for 66½ years, in	1794				
Ditto	February 1795				
Ditto	December 1795				
Ditto	April 1796				
			4,604,150		229,085

Amount of the capital of the funded debt, and its interest					
Annual sum set apart for the sinking fund on account of the perpetual annuities			139,176,993		4,976,548
Ditto					1,345,728
					33,900

Whole amount of the annual expense on that part only of the debt which has been funded since the commencement of the present war					6,356,176
--	--	--	--	--	-----------

* Navy Bills funded (see page 20)					20,973,557
Two millions and a half of Exchequer Bills at 56½					4,424,790
					25,397,347

UNFUNDED DEBT.

	£.	£.
Navy Debt on the 31st of December 1796		4,948,877
Ordinance Debt on ditto		145,404
Exchequer Bills, voted in December 1796		5,500,000
Deduct the Navy debt on the 31st December 1792	2,745,991	10,594,281
Ordinance debt on ditto	55,814	
Exchequer Bills issued on do.	5,500,000	8,301,805
Increase of the unfunded debt * during the war		2,292,476

But these sums, great and enormous as they are, by no means constitute the whole amount of the debt which has been incurred by this ruinous war. The Emperor's loan, which was to have been paid off by half yearly instalments of 46,000*l.* still retains its original magnitude. Not a single instalment has ever been made, and even the dividends, which became due in November last, would not have been discharged, had not a much larger sum been given by the minister without the consent of Parliament, in order to enable the Imperial directory to appropriate a part of it for

* It will be recollected that 26 millions of this debt have been funded in the last year.

the payment of them. It is more than probable, therefore, that the principal and the interest of this loan will soon become a permanent burthen on this devoted country.

In opening his budget, in the month of December, although his estimates added above 25 millions to the national debt, the minister provided for little more than *two-thirds* of the real expenditure of the year. The extraordinaries of the army, which approached very nearly to eight millions in the last year, he estimated only at three millions. The extraordinaries of the navy, which exceeded nine millions, at only five millions and a half; and for the extraordinaries of the ordnance, who have annually exceeded one million, he made no provision at all. Every channel, however, through which the nation has been drained of its wealth continues unclosed. With the single exception of the viceroy of *Corsica*, those correspondents of the treasury, which in the last year exhausted it of so many millions, remain as numerous as ever, and our Imperial ally, by his recent disasters, seems to be reduced to the necessity of requiring a larger portion of our pecuniary assist-

ance than in any former period of this war. Considering, therefore, that the bills drawn by the public functionaries abroad, and the remittances to the Emperor in coin and bullion, constitute almost the whole of the army extraordinaries, it will be difficult to assign any other motive for providing so scantily for them, than the desire, which has been too uniformly manifested, of enticing the nation into a continuance of the war, by concealing from their view the real expence with which it is attended.

In providing for the navy extraordinaries in 1796 the minister, after observing that they had been incurred in the preceding year by the purchase of East India ships, and the employment of a greater number of transports than usual in the public service, assured Parliament, with unabated confidence, that the expenditure in this department would be considerably diminished in the ensuing year. It appears, however, from the woeful experience of that year, that this expenditure, so far from being diminished, has actually been increased from seven to nine millions. But in this, as in other instances, the minister is not

to be deterred from his predictions by the experience of their fallacy. In his last budget, he has again proceeded in the same career. The extraordinary excess of the navy debt in the preceding, above that in all former years, is stated to have arisen from causes unforeseen, and which are not likely to recur; such as the inexperience of his new transport board, his own erroneous calculations in regard to the probable expence of the transport service, the depreciation of Navy bills, the opposition of the elements, &c. : and therefore, as if these were the only causes which could neither be foreseen nor prevented, he has once more assured Parliament, that they may look with a perfect reliance on the accuracy of his statements to a great diminution of expence in the current year. On the strength of this assurance, only five millions and a half have been provided for the extraordinaries of the navy, although the number of seamen which have been voted amounts to 120,000, which exceeds their number in the preceding year by 10,000. From the statements which have been already given in this work,* it appears

* Sect. I.

that the navy, like the other extraordinaries, have increased most enormously every year. Supposing them, however, in the present year, to be no further increased than in the proportion of the numbers of seamen employed in each of those years, and even in this case, instead of five millions and a half, the full sum of 9,991,735*l.* ought to have been provided for the service. When the growing extravagance, however, and the growing abuses in every department of the war, are considered, it is to be apprehended that this supposition will be found to have been much too moderate. But were the next campaign to be immediately succeeded by a peace, even these sums would not constitute the whole addition which ought to be made to the account. The expences necessarily attending the conclusion of every war, and which arise from the continuance of pay to the forces, the calling home of the troops, the arrears in the different departments, &c. will probably amount to half as much as the expenditure of another campaign,* and therefore, the following state-

* See the Earl of *Lauderdale's* Thoughts on Finance, &c. page 45.

ments will give a more correct idea of the weight of those burdens which, in the short term of the present crusade for order and religion, have been imposed on this country.

	<i>Principal.</i>	<i>Interest & Sink Fund</i>
	<i>£.</i>	<i>£.</i>
Funded debt, from page 29.	139,176,993	6,356,176
Unfunded debt, from page 30.	2,282,476	151,213†
Extraordinaries of the army unprovided for, supposing them the same as last year, after deducting 3,000,000 <i>l.</i> already voted by Parlia- ment	4,874,646	
Extraordinaries of the navy unprovided for, supposing them to increase only in the proportion of the dif- ferent numbers of seamen employed in this and the last years, deducting 5,500,000 <i>l.</i> already voted	4,491,735	
Expences attending the ter- mination of the war ‡	16,616,416	
	<hr/> 25,982,797	<hr/> 1,721,258
Amount of debts and taxes produced by the war, if it ends with the present year	<hr/> 167,442,266	<hr/> 8,228,639

If

‡ The interest on this and the three remaining articles is computed at the same rate as the loan was borrowed in December 1796; and 1*l.* *per cent.* is added for the sinking fund, supposing, as in that loan, the capital to be increased, when the debt is funded, in the proportion only of 112*l.* 10*s.* to 100*l.*

‡ This sum is one half the expence of the war establishment in the last year. See page 8.—It should be remembered,

If to this sum be added the Emperor's loan, the capital and interest of which are respectively equal to 6,956,013*l.*, and 348,232*l.*, the whole debt incurred by the war, will exceed *one hundred and seventy-four millions*, and the taxes *eight millions and a half*.

In the year 1791, when all the arrears of the American war were either funded or discharged, the annual interest upon the public debts amounted to 9,289,110*l.** In less than five years, therefore, the present Chancellor of the Exchequer will have added very nearly as much to the taxes as all the ministers that have ever afflicted this country from the Revolution to the commencement of his administration.†

bered, however, that in this account no allowance has been made for the extraordinaries of the ordnance.

* See the Report from the Select Committee; published in 1791.

† The interest of the debt in March 1784 (when Mr. Pitt became Chancellor of the Exchequer) was only 8,045,055*l.* so that, in fact, he will, in five years, have more than *doubled* all the taxes that have been laid on the public before his administration.

SECTION IV.

On the LOANS in the present Session of Parliament.

HAVING already seen with what profusion the national treasure has been squandered during the course of the present war,* there can be very little doubt but that the same disregard to all œconomy must have pervaded every other operation of public finance, and consequently that the extravagance in *spending* must have been equalled at least by the extravagance in *borrowing*.

The loans in the first four years of the war have been the subject of a former discussion,† and therefore it will not be necessary here to extend our inquiries beyond the operations of the last year. In these the Minister seems

* See Sections I. and II.

† See *Facts*, Sect. II.

to have deserted every principle of finance which he professed either in the earlier or the latter periods of his administration. At one time it was his aim to lessen the capital rather than the interest of the debt, with the view of facilitating its redemption: at another he appears to have been more solicitous about reducing the interest than preventing an unnecessary addition to the capital. But of late both capital and interest seem to be regarded with equal indifference, and the choice of increasing either the one or the other has been left to be determined by the convenience or the avarice of the public creditor. The needless capital which has been created by funding the Navy bills in October last has been already noticed,* and the immense interest which has been allowed to the holders of these bills will appear from the following statements.

In the month of September last the average discount upon Navy bills was 14 and a half *per cent.*; so that, for every sum of 85*l.* 10*s.* advanced to government, a promissory note

* Sect. III.

was given to the creditor of 100*l.*,* bearing an interest of 4*l.* *per annum*. Supposing the bill to have been issued on the 12th of that month, the interest to the 12th of December last, when it was to be funded, would amount to 1*l.* Supposing, again, this debt and its interest to have been funded on that day in the *five per cents*, at 85 and a half,† a capital of 118*l.* 2*s.* 6*d.* would, in consequence, be added to the national debt, upon which a perpetual dividend was to be paid of 5*l.* 18*s.* *per annum*; and as the first half-yearly payment of this dividend was to be made on the 5th of January following, it is evident that the holder of the bill, by receiving 2*l.* 19*s.* for less than four months interest on 85*l.* 10*s.* improved his money after the rate of 10*l.* 8*s.* *per cent.* a year in the first instance, while the minister, by granting a perpetual annuity of 5*l.* 18*s.* in consideration of having received

* This is not, strictly speaking, the proper method of computing the discount; but I believe it is the method which is invariably adopted in transactions of this kind.

† The price at which it was proposed to fund them in the plan laid before Parliament.

such sum of 85*l.* 10*s.* made a loan for the public at a higher rate of interest than *seven per cent.* for ever, and that too within six months of the time in which it was his boast to have borrowed money for all the services of the present war under 4*l.* 15*s.* *per cent.* Had the foregoing computations been made by taking the discount as a part of the interest (which perhaps might have been fairly done), the holders of the bills, by having increased their property above *one-third* in less than three months, would then appear to have improved their money after a higher rate than 120*l.* *per cent.* by the year. But it is unnecessary to assume an extreme case in order to expose the extravagance of this loan. In its most moderate form it owns, I believe, no rival in the annals of British finance.

In less than two months after this addition of so many millions to the capital of the funded debt, the exigencies of the public service required fresh supplies, and a further loan was consequently proposed of 18 millions. But this new application for money, after having borrowed in the course of the

year more than *forty-four millions sterling*,* served only to prove the fallacy of the Minister's triumph in the unimpaired condition of our resources. The funds became so depreciated as to render the ordinary method of borrowing too ruinous to be adopted, and doubts were even entertained of the possibility of procuring another loan. On this emergency, therefore, recourse was had to new expedients. Appeals were made to the loyalty of the people; their fears were alarmed by the Minister's threatening them with the French system of a *forced loan*,† and,

		£.
* Loan in December 1795	—	18,000,000
April 1796	—	7,500,000
Navy funded in ditto	—	4,414,000
Navy and Exchequer bills funded in October 1796	— —	14,493,000
		<hr/>
		44,407,000
		<hr/>

† *Extract of a Letter from Mr. Pitt to the Directors of the Bank.*

“ — With this view, it is in contemplation to propose to
 “ Parliament, that all persons possessed of a certain income
 “ should be *required* to lend a certain proportion of it, say
 “ one-

and, what perhaps proved not the least powerful incentive, their avarice was tempted by the advantageous terms on which they were invited to lend their money. By the combined operation of these different passions the whole amount of the loan was subscribed in less than three days, and it might have been imagined, from the vehement joy of the ministry on this occasion, that, instead of adding to its burdens, they had relieved the nation from 20 millions of its debt. How far the public interest, when unconnected with their own, is capable of thus exciting their feelings, I am not anxious to determine: in the present instance, however, if we regard the terms on which the loan was raised, their triumph seems to have proceeded from another source than the consciousness of having either promoted

“ one-fourth, to be repaid at the period and on the terms
 “ stated in the inclosed memorandum.

“ There is great reason to hope that many persons, possessed
 “ of considerable income, both in the capital and in the
 “ country, will be induced, without waiting for this mea-
 “ sure being *enforced*, voluntarily to contribute in a larger
 “ proportion than would be *required* of them,” &c.

the welfare or alleviated the distress of their country.

For the subscription of each 100*l.* the public is pledged, within two years of the conclusion of the war, either to pay in money 112*l.* 10*s.*, or to fund an equivalent capital in the *three per cents*,* according as it shall best suit the interest of the subscriber at that time. Supposing the war to terminate with this year, and it is hardly possible to imagine that the present system of extravagance should admit of its continuing longer, the loan will then appear to have been made on the following terms :

Sum originally paid	—	£.	<i>s.</i>
		100	0
Deduct, for prompt payment	3 <i>l.</i>		
Ditto, for $\frac{1}{4}$ years interest allowed			
on 112 <i>l.</i> 10 <i>s.</i>	—	1 <i>l.</i>	8 <i>s.</i>
		<u>4</u>	<u>8</u>
Remains, the sum actually paid		95	12

On this sum of 95*l.* 12*s.* the Minister has engaged to pay the yearly interest of 5*l.* 12*s.* 6*d.* which is after the rate of

* This stock is not to be rated at a *higher* price than 75. On this very day it is at 49, and, therefore, perhaps it would have been as well to have specified also the *lowest* price at which it was to be rated.

5*l.* 17*s.* 9*d.* *per cent.*; and, at the end of three years, he has engaged also to pay a further sum of 16*l.* 18*s.* or, which is the same thing, to increase the money originally advanced from 95*l.* 12*s.* to 112*l.* 10*s.* A present engagement to pay 16*l.* 18*s.* at the end of three years is the same with paying an annuity during that term of 5*l.* 7*s.* 3*d.*; and as such annuity is in consideration of 95*l.* 12*s.* the proportionate annuity for 100*l.* would have been 5*l.* 12*s.* 1*d.* Adding, therefore, this sum to 5*l.* 17*s.* 9*d.* it follows that the loan has been borrowed at the exorbitant interest of 11*l.* 9*s.* 10*d.* *per cent.* In all former transactions of this kind the public have, in some measure, been led to acquiesce in the high rate of interest at which their debts were accumulated, from the consideration that the capital of those debts was in consequence proportionably diminished; but the present loan possesses the peculiar property of increasing both capital and interest in an equally extravagant degree.

After allowing 11 and a half *per cent.* for the first three years, the subscriber, instead of being obliged to continue his stock

in the *five per cents*, which would have rendered the capital only *one-sixth* greater than the money advanced, is left at liberty to exchange it for an equivalent in the *three per cents*, which, at the time this exchange is permitted to be made, will most probably increase the one to more than double the amount of the other.* This new operation appears to have been intended for the purpose of preventing too large an increase of the capital by borrowing in the *three per cents*. But the manner in which it has been conducted will produce a direct contrary effect, and the public will have to regret, both on account of the capital and the interest of this loan, that the Minister had not contented himself with his ordinary method of multiplying the national debt.

* According to the price of the *5 per cents* at the time the loan was made, 100*l.* would create a stock of 112*l.* 10*s.* In two years after peace, supposing the funds to drop as they did for two or three years after the American war, the *3 per cents* will most probably be under 50, and consequently for every sum of 112*l.* 10*s.* it will be necessary to grant in stock above 225*l.*, or, in other words, to increase the capital more than twice as much as if no exchange had been permitted.

So low has public credit been reduced since the opening of this loan in December last, that even the enormous extravagance of its terms has not been sufficient to prevent it from falling to a discount of more than *fifteen per cent.*; and yet, under all these circumstances, the nation is threatened with another loan immediately; nor is it possible to anticipate the terms upon which it must be raised without shuddering.* But here I shall drop the subject, as I feel no satisfaction in witnessing the destructive progress of extravagance and profusion, or in contemplating the utter ruin in which they must terminate.

* It has been hinted, within these few days, that another loan is also to be raised for the Emperor, and it appears, that he has already received from this country *half a million* on the credit of it. But although our folly and extravagance may be without bounds, I believe our abilities have nearly found their limits.

SECTION V.

*On the whole Amount of the NATIONAL
DEBT and its Interest.*

THE growing extravagance and folly of fourscore years had loaded the nation at the commencement of the American war with a debt of more than one hundred and thirty-five millions; and at the conclusion of that detestable war, the public burdens had been aggravated with an additional load of one hundred and twenty millions. During the present war, the progress of dissipation appears to have been accelerated with a rapidity which admits of no comparison, and the following statements will shew to what tremendous depth a country is capable of plunging itself in debt, before its ruin shall have been completed.

Amount

Amount of the funded Debt on the 1st of January 1797, which had been incurred previous to the Year 1788.

Principal. Interest & Manag.

	£.	£.
80,202 <i>l.</i> per ann. exchequer annuities, of which eight years remain unexpired	518,361*	80,202
Annuities on lives, with the benefit of survivorship, granted by 5th of George III.	18,000	540
62,656 <i>l.</i> life annuities granted in the years 1745, 1746, 1757, 1778, and 1779, valued at eight years purchase	501,248	62,656
688,029 <i>l.</i> per ann. long annuities for 63 years	13,124,120	688,029
408,880 <i>l.</i> per ann. short annuities for 11 years	3,396,320	408,880
Stock in the 4 per cent. consolidated bank annuities	32,750,000	1,324,737
Stock in the 5 per cent. bank annuities	17,869,994	901,541
Bank stock	11,686,800	
Reduced bank annuities	41,540,074	
Consolidated bank annuities	107,359,696	
Annuities borrowed in 1726	1,000,000	
South sea annuities	24,065,084	
<u> </u> borrowed in 1751	1,919,600	

Whole amount of the capital and interest of the 3 per cents. 187,611,254

Total 255,789,297

5,714,434

9,181,019

* These, and the other temporary annuities in this statement, are computed at 5 per cent. In my former work† they were computed at 4*l.* 13*s.* 9*d.* per cent. which will partly account for the difference in their present values. But if the credit of the nation should survive this war, the funds must become more valuable, and therefore it would perhaps have been better not to have varied the rate of interest.

† See *Facts*, Sect. III.

Additions

Additions to the funded Debt since the Year 1788.

	Principal. £.	Interest and Management. £.
Borrowed on the tonline in 1789	—	—
14,15 <i>l. per ann.</i> in the short annuities for 11 years, borrowed in 1789	1,002,099	45,311
Borrowed and funded since the commencement of the present war (page 29)	117,610	14,159
	133,176,993	6,356,176
Debt contracted prior to the first of January 1789 (page 49)	140,296,702	6,415,646
	255,789,287	9,181,019
Whole of the funded debt, and its interest	396,085,989	15,596,665

Unfunded Debt, supposing the War to end with the present Year.

Unfunded debt from page 30.	—	—	10,594,281	2,423,230 <i>†</i>
Extraordinaries of the army and navy not yet provided for, together with the * probable expenses attending the termination of the war (page 36)	—	—	25,982,797	
<i>Balance due to the Bank,</i>				
From the consolidated fund in 1795	—	—	1,054,000 [†]	
in 1796	—	—	1,323,300	
Land and malt tax in 1794 and 1795	—	—	834,000 <i>g</i>	
For interest on the different sums advanced	—	—	580,670	
			3,761,670	215,609 <i> </i>
Due from the consolidated fund in 1796, which has been taken from the supplies for the present year ¶	—	—	550,505	
			40,889,253	2,638,839

Funded debt	—	—	—	—	—	396,085,989	15,596,665
Total, including the stock redeemed by the commissioners for managing the consolidated fund	—	—	—	—	—	436,975,242**	18,235,504

* See the Appendix.

† See note †, page 36.

‡ 1,000,000*l.* of this sum has been lately placed to the credit of government as a subscription to the loan; but as this part of the debt was not included in the services to be provided for in the year, it still remains a debt, with this difference only, that, instead of being due to the bank, it is now owing to the ways and means of 1797, and the deficiency must be made up by a new loan.

§ This is much too small an allowance for the arrears on the land and malt tax, considering that the whole amount of these taxes has been already advanced for the year 1797, and that by far the greater part of the money advanced on their account for the year 1796 still remains due to the bank. It should also be remembered, that the produce of these taxes is always estimated at 2,750,000*l.* and that this sum is advanced on their credit; though I believe they have never been known to amount to more than 2,500,000*l.*

¶ It is to be observed, that in the supplies for 1796, the *growing produce* of the consolidated fund, including a million for Dutch prizes, was taken for 3,500,000*l.* but instead of being *productive*, this fund in the three quarters, ending the 5th of January last, appears to have been deficient by more than half a million; and yet in the supplies for the year 1797, although it is in arrears to the bank, to the amount of 1,323,000*l.* over and above the sum just mentioned, the minister has taken its produce at 1,075,000*l.* If he had reasoned from the experience of the past year, he would have ranged this sum in his estimates on the side of the expenditure rather than on that of the income. As to the Dutch prizes, I never heard that they produced any thing except one or two places, for as many wretched writers in support of the present administration.

|| Computed at 5 *per cent.*

** In these statements I have not included the Emperor's loan, which would have swelled the amount to more than 444 millions. After deducting, therefore, all the stock which in the course of the last ten years has been purchased by the commissioners, the national debt, at the end of this year, will exceed 400 millions of *guineas*. But it is of very little consequence whether this debt exceed 400 millions of *guineas* or 400 millions of *pounds*. In either case, I am afraid that it is equally impossible for the nation to support it.

Can any person read this account without apprehension, or indulge the frantic opinion, that a nation, oppressed by such an enormous mass of debts and taxes, can persevere in the present system of war and profusion without soon involving itself in ruin? But these statements, however alarming, by no means represent the evil in its whole extent. The expences of the army and navy, the civil list, and the sums annually appropriated to the sinking-fund, must be added to the account before an accurate idea can be formed on this subject. Supposing, therefore, that hostilities were to cease with the present year, the whole expenditure of this country will be nearly as follows:

	£.
Interest of the funded debt, including expences of management and the addition of <i>1l. per cent.</i> on the capital borrowed since the year 1793	15,596,665
Average peace establishment of the army and navy for seven years before the present war	5,151,183
Additional peace establishment arising from an increase in the half-pay list, barracks, foreign settlements, &c. which I am satisfied is below the truth	500,000
Interest on the unfunded debt, including the sum which must be raised for the unprovided services of the year, and for winding up the accounts of the war (page 50)	2,638,839
Carried over	<u>23,886,687</u>

	Brought over	£. 23,886,687
Civil list	— — — — —	900,000
Sums annually appropriated for the sinking fund		1,200,000
		<hr/> *£25,986,687

In this account, no notice is taken of the interest constantly paid upon the balance due to the bank for their advances on the land and malt tax;—the Imperial dividends are supposed to be regularly ^{re}mitted by the Austrian government, and the whole of the unprovided services are supposed to be funded upon the same terms with the last loan. But all these suppositions are much too favourable, and therefore it is more than probable that the future annual expenditure, even upon a peace establishment, will exceed rather than fall short of *twenty-six millions*.—If such be the sum which must be raised by taxes from the people of this country, it will naturally be asked, “to what sum do the present impositions amount, and consequently to what further extent must taxation yet proceed before a sufficient provision shall be made

* See the Earl of *Lauderdale's* Thoughts on Finance, &c. p. 46, where the total annual expenditure, deduced in a different manner, is estimated at 25,860,752*l.* and the deficiency in the receipt to be supplied by new taxes at 3,231,126*l.*

“ for the public exigencies ? ” In answer to these inquiries the following account of the revenue will afford ample, though perhaps not very consoling information.

Nett produce of the taxes imposed prior to January, 1791, for one year, ending the 5th Jan. 1797,	£.	£.
	12,958,439	
Difference in the produce of the duties upon British spirits in the last year, and their average produce in the three preceding years, in consequence of stopping the distilleries - - - - -	602,659	
Bounties allowed on corn, ^{and} and in the year 1796,	573,418	
Bounties for raising sheep in ditto, - - - - -	23,649	
	<hr/>	
	14,155,165	
Deduct the increase in the produce of the duties upon beer in the last year above their average produce in the three preceding years, in consequence of lessening the consumption of British spirits, - - -	196,683	
	<hr/>	13,958,482
Produce of all the taxes which have been imposed in 1793, 1794, and 1795, in one year, ending the 5th of January, 1797, -		2,408,476
Taxes imposed in the years 1796 and 1797, supposing them to produce the full sums at which they were estimated, - -		3,724,000
Land and malt tax, estimated by the commissioners of public accounts to produce on an average annually, - - - -		2,558,000
		<hr/>
Whole amount of the revenue, - - -		£.22,651,958
		<hr/>

Deducting this sum from 25,982,687*l.* a deficiency of 3,334,729*l.* will remain to be made up by new taxes, in order to render the national income equal to the expenditure. But, confi-

considering that no allowance is made for the duties imposed upon articles which will inevitably prove unproductive,* and that it is taken for granted that all the taxes which

* In the number of these articles may be included particularly *tea*, *wine*, and *British spirits*, the duties upon which had been lowered during the last peace for the sake of augmenting the revenue. After experiencing the beneficial effects of this reduction in a prodigious increase in the produce of these duties, the minister, regardless of the good consequences of his former measures, has, since the commencement of the present war, selected those very articles as objects of taxation, and by the additional impositions which he has laid upon them there is not a doubt but that this part of the revenue will again be reduced into that very state in which the excessive duties had rendered it unproductive. The effects of those heavy imposts upon wine are already felt in the diminished consumption of that article. By a comparison of the imports of port wine in the half year ending the 5th of July, 1795, and the half year ending the 5th of July, 1796, it appears that the value of the wine imported was reduced from 283,532*l.* to 135,229*l.* Nor is the produce of the duties more encouraging; for in the last year it amounted only to 632,377*l.*, which is little more than half the sum at which it was estimated. By having recourse to such methods of providing for the interest of the public debts, the minister seems to be more anxious about having a *nominal* than a *real* revenue. This will answer the present purpose, and perhaps it is intended to supply future deficiencies by future expedients. But the temporizing system of expedients cannot continue much longer. The nation will soon find that as its difficulties are real, the remedies must also be real, if it means to be saved from ruin.

have been laid in the last two years will produce the full sums at which they have been estimated,* is it not to be apprehended that the deficiency will far exceed the sum at which it is stated in this account? It should likewise be remembered, that after the close of every war the taxes become less productive;† and since our affairs have been so conducted for the last century, that before the revenue has recovered the effects of one war, the nation has been constantly hurried into another, we have no reason from the experience of the past to hope for any great improvement from the wisdom or the virtue of the future.

Compared with its small and decreasing population, the revenue already appears much too enormous to be supported by the united efforts of all the wealth, the industry, and even the enterprize of this country. What then will be the consequence of adding three or four millions to the amount? And what the more alarming consequence of swelling the accumulation still further by prolonging this fatal war beyond the present year? It has

* The taxes imposed in 1796 were estimated at 1,851,226*l.* and yet on the 5th of January last they had produced only 604,644*l.*

† See my Additional Facts, p. 42.

been well observed, “ That the fairest form
 “ of constituted authority, with a revenue too
 “ large for the extent and population of a
 “ country, must be a despotism.”* If, how-
 ever, it should be attempted to extend that
 revenue so far as to exceed the utmost abilities
 of the nation to support it, perhaps the evil
 may at last find its own remedy ; and, in this
 case, he will be a bold man who can look for-
 ward to the consequences without trembling.

* See the Earl of *Lauderdale's* Thoughts on Finance, &c.
 p. 49.

SECTION VI.

On the present State of Public Credit ; particularly in regard to its Effects on the Credit of the Bank of ENGLAND.

IN the preceding sections we have seen the progress of the public expenditure, and the alarming growth of those abuses by which it is accelerated—We have seen a profusion unparalleled in the annals of this country, which has so far exceeded the most liberal grants of parliament as to render the immense sums which had been voted upon the estimates of the minister sufficient only to discharge *one half* of the real expences of the war.* In consequence of proceeding in this career of dissipation, and paying so little regard to the limits which had been assigned by parliament for the services of the year, new expedients have become necessary to provide for them, and

* See page 8 of this Work.

such operations of finance have been adopted for satisfying the increasing demands in every department as have reduced public credit to a state which cannot be contemplated without horror. The gradual decline of the funds, and the increasing discount upon government securities, are undoubtedly in a greater or less degree the ordinary consequences of every war ; but in what period have these securities been so depreciated as in the present ? or, how can it be denied, if no other unfavourable circumstance existed, that this depreciation does not of itself afford sufficient reason for lamenting the fallen and degraded condition of our credit ? Unfortunately, however, for the country, its calamities have extended so far beyond the ordinary effects of war, that the evils arising from the mere destruction of its property become of little consequence when compared with those heavy misfortunes which have been produced by the rashness and folly of the last month. These events are of such high importance, and so materially concern the welfare, I had almost said the existence, of the nation, that I think it extremely necessary to give some account of them.

In our different alliances with foreign powers, their co-operation and assistance have generally been secured by loans and subsidies. But this, like every other expence in the present war, has been carried to a more ruinous extent than in any former period. Besides subsidizing the Kings of *Prussia* and *Sardinia*, the Landgrave of *Hesse*, the Duke of *Brunswick*, and other Princes of *Germany*; the Emperor has also been furnished with an almost unbounded credit on this country. In the years 1794 and 1795, his treasury was recruited by 4,600,000*l.* under the modest title of a *loan*. In the year 1796, after a fruitless attempt of the same kind, the subsidy was granted him in a less equivocal form by immediate remittances of cash and bullion to such an amount as to cause a very serious and alarming scarcity of specie in the kingdom; and this scarcity was rendered still more alarming by the great diminution, which, for the last two years, had taken place in the coinage at the Tower.* In addition to these foreign

* In the years 1793 and 1794, 5,306,324*l.* were coined in gold. But in the years 1795 and 1796, only 885,205*l.* were coined.

foreign drains for money, the public exigencies at home were increasing so much faster than they could possibly be supplied by the utmost liberality of Parliament, that it became necessary to have recourse not only to the treasures, but also to the credit of the Bank of England. The Directors of this Company, who, from the beginning of the present war, have invariably proved themselves its most inveterate supporters, complied with the perpetual applications of the minister, and by allowing the Treasury to be constantly in their debt between eight and eleven millions, they have contributed in a great degree to that accumulation of expence by which this war has been so fatally distinguished. The secrecy of their affairs at the Bank renders it impossible to ascertain, with precision, the quantity of cash and bullion which they possess; but I have good reason for thinking, that, during the whole course of this war, except about the beginning of the year 1793, they

This deficiency, amounting to 4,421,019, was undoubtedly owing to the exportation of bullion, which always produces the same effect in diminishing the coin as the direct exportation of specie.

always

always had much more than sufficient for the ordinary purposes of discount and circulation, until they were exhausted of it by the Imperial loans and subsidies. From the month of March, 1795, their specie, I believe, gradually diminished till it had sunk to *half* the quantity in the month of December following, when it attained that point which the directors consider as its proper *medium*. So far, however, has it been since that period from increasing again to a surplus, that it has uniformly continued in a state of progressive diminution, which has exactly kept pace with the remittances that have been made to our impoverished allies in Germany. But the progress of this diminution, within the last two months, has been considerably accelerated by the increasing demands and difficulties at the Treasury, and also by the alarm of a foreign invasion, which acquired additional force from the French expedition against Ireland, and more particularly from those measures of precaution which were judged necessary for the safety of Great Britain. In the maritime counties, persons were employed to take inventories of the stock upon the different farms

farms near the sea coast. This survey naturally created a suspicion that the stock was to be put into a state of requisition. The farmers, in consequence, hurried with their corn and cattle to market, sold them at reduced prices, and immediately converted the notes, which they had received in payment, into cash. By this panic a run was produced upon the country bankers, who, in their turn, were obliged to sell what stock they possessed in the funds at any rate, in order to supply themselves with specie to answer the demands which were crowding upon them from all quarters. Alarmed at the unusual rapidity with which their cash was now exhausting, the Directors of the Bank had recourse to the advice and authority of the Chancellor of the Exchequer; and on his representations the Privy Council, on *Sunday, the 26th of February, 1797*, issued an order, that on the following day the *Bank of England do STOP PAYMENT*.* The order was obeyed—
and

* Although there is reason to conclude, from some circumstances, that the specie in the Bank, at the time of stopping payment, was not equal to *one-third* of its amount in the month of December, 1795, yet I am convinced, that in the year 1783
it

and the dignity of British credit has, in a moment, been reduced from its lofty pre-eminence to a state of the most humiliating degradation. Our fond partiality may, perhaps, lead us to regard this event as a temporary calamity; but I am afraid, that, upon more mature reflection, we shall find that we have very little reason for consoling ourselves with such an opinion.

The diminution of specie in the Bank appears to be the effect neither of this alarm, nor of that particular instance of prodigality. The evil has been gradually increasing for more than two years; nor can the minister deny that, during the greater part of that time, he has been repeatedly warned of its progress, and solicited to be more cautious in adding to the tremendous balance already due

it was diminished in a much greater proportion, and particularly in the month of October, when the whole of their cash and bullion could not amount to *one-eighth* of their proper quantity. The directors, however, instead of being obliged to surrender their affairs into the hands of the minister, were at that very time making advances upon the new loan. But the war was then terminated, and credit was returning. I wish that, in the present moment, it were possible to console ourselves with the same prospect.

from

from the Treasury. But warning and solicitations were of little avail. The public exigencies, becoming daily more and more urgent, rendered it impossible to attend to the interests of the Bank—money must be had—foreign remittances must be made. The directors, therefore, remonstrated in vain, until, at last, the danger grew so imminent that, forgetting they had any constituents to whom they ought long ago to have appealed, and that there was a Parliament to whom they ought to have submitted their apprehensions, they surrendered their trust into the hands of the minister, and sacrificed the spotless faith of their Bank to the uncontrollable necessities of the Treasury. By this conduct, and the violent measures which it has produced, the sacred ties, by which credit has hitherto been maintained, are broken, and the holder of a Bank-note has no other security for the payment of it than the minister's not having judged it expedient in the mean time to apply the money to the public services. If the wound which has been given to public credit by these injudicious proceedings be not fatal, it will, indeed, be fortunate for this country ;

—that it should ever be perfectly healed, I am satisfied is impossible. The histories of other countries in similar circumstances afford no instance to encourage our hopes. Wherever government has interfered with private banks, and made their credit administer to the wants and extravagance of the state, the consequences have been invariably the same. A mass of fictitious wealth has been accumulated, and the nation has appeared, for a season, to rise in splendour as its debts have increased. But the government, possessed of such an easy method of providing for the public exigencies, has set no bounds to profusion ; its paper securities, therefore, have necessarily multiplied until their amount, exceeding the specie beyond all reasonable proportion, has unavoidably produced their depreciation, while the Bank, having been lured by a high interest to issue their notes in immense quantities upon these securities, become straitened for cash, their solvency, in consequence, begins to be suspected, the slightest alarm pours in their paper from all quarters, government interposes its authority, and the very measures which have hitherto
been

been employed to prevent a bankruptcy, have always proved the infallible means of producing it. This was particularly the case with regard to the *Mississippi* company at *Paris*, in 1720. By the assistance of their paper currency, the French nation, in that period, assumed a splendor unknown in former times. Commerce flourished, luxury prevailed, riches appeared to accumulate, and the company, by continuing to issue their notes in still greater abundance; or, in other words, to multiply their *circulating medium*, seemed only to produce the effect of increasing the wealth and prosperity of the kingdom. No bounds, therefore, were set to their fictitious coinage, till at last it was carried to such an extent, that they had issued 1,600 millions of livres in paper on government securities, and 600 millions on their own.* The mass now became too unweildy for circulation. The Duke of *Orleans*, who was then regent, being desirous of applying a remedy to the evil, interposed the authority of government,

* Amounting in the whole to more than 96,000,000*l. sterling*.

and, in order that the paper might bear a nearer proportion to the quantity of specie, an *arret* was issued to diminish its value to *one half* its denomination. In an instant it was reduced in the public opinion to *nothing*; and as Sir *James Steuart* observes, “ a person might have starved the next day with *one hundred millions* of paper in his pocket.”*

In the year 1788, *Paris* affords a similar instance of folly and misfortune (although in a much more limited degree) in the fate of the *Caisse d'Escompte*. Here again we perceive the necessities of the state obliging it to have recourse to the credit of a private company. In consequence of having advanced immense sums to government, and of the increasing demands from the same quarter, the affairs of this company were involved in such difficulties as to render them the object of suspicion. Their paper, therefore, became depreciated, and the ardent desire of converting it into specie, produced such a concourse of people at the *Caisse d'Escompte*, as to induce the Archbishop of *Toulouse* (who was

* Political Oconomy. Part ii. book iv. chap. xxxi.

then minister) to issue an *Arrêt de surseance*,* empowering them to refuse payment of their notes in money, and to discharge them with drafts and bills of exchange of a short date; at the same time forbidding all suits for the amount of any bills of exchange, the payment of which had been tendered in these notes. This operation of finance was at first applauded, as a wise precaution against the effects of unfounded and precipitate fear. The Bank now continued and even enlarged its discounts. The commerce of *Paris*, which was stated to have increased so much as to want a *circulating medium*†, was, for a mo-

* The nature of this order will be better understood by observing, that the French nobility, when pressed by their creditors, very often obtained from the Court an *arrêt de surseance*, to enable them to *postpone* the payment of their debts.

† The ridiculous cant of an increasing trade's wanting a *circulating medium* was, I believe, first promulgated on this occasion, and it has since been brought over into this country, together with other principles of political œconomy equal novel and absurd, by some of the very persons who introduced them at *Paris*. The measures also which are now taken in regard to the *Bank of England* are so like to those which were taken on the stoppage of the *Caisse d'Escompte*, that they all appear (excepting indeed in the circumstance of the *French* minister's having been dismissed from his place on the occasion) to be either copied from them, or suggested by the same advisers.

ment

ment, assisted in its speculation; but the face of things was soon changed, and it is well known, that the measures which were intended for the preservation terminated, as usual, in the ruin of public credit. Several instances of the same kind might be added from the histories of the banks in America, Spain, and other countries, but the limits which I have assigned to this work will not admit of their insertion at present.

It would be a happy circumstance if such wisdom were displayed either on the part of ministers, or the Bank directors, as should lead the nation to believe that their present measures had some tendency at least to repair the injuries of their former indiscretion. But it is impossible to regard the few steps they have hitherto taken, without trembling at the precipice towards which they appear to be directed. In two days after payment was stopped at the Bank, the directors deluged the public with a fresh inundation of their paper, by discounting bills of exchange to a greater amount than ever, and in little more than a month the balance due from the Treasury (which had been the chief cause of their embarrassments)

barraiments) was suffered to increase very nearly one million.* While their paper is thus multiplying, their specie, no longer at their own disposal, is applied to the public service, and laws are now framing for the purpose of confining the payment of it to the navy and army. By this means the just demands of the public creditor are superseded, and an odious distinction is formed, which can have no other effect than to drain the Bank of its specie, by preventing what is once

		£.
* Balance due from the Treasury, on the 9th of		
March	—	10,335,340
Ditto, on the 25th of February	—	9,964,413
		<hr/>
	Difference	370,927
March 28, lent to government, with the concurrence of the proprietors	—	600,000
		<hr/>
	Increase of debt	970,927
		<hr/>

When the proprietors of Bank stock were convened for the purpose of obtaining their sanction to the above loan of 600,000*l.* they only asked the directors whether the advancing such a sum to government *would narrow the discounts in future*, and upon being assured in the negative, their consent was immediately given; nor would it have been refused, upon their receiving a similar assurance, if the loan had been five times the amount!

issued

issued from being ever brought back again. It is of little consequence while such restrictions continue, whether the directors be empowered to refuse the payment of their notes for three months, or for three years. The mischief in either case will be produced with equal certainty, and most probably with equal expedition. Unless the quantity of paper in circulation be reduced immediately, the Bank restrained in their future issues, and all connection destroyed for ever between them and the Treasury, it will be in vain to hope for success in recovering either our credit, or even the smallest share of that confidence upon which our credit is founded.

The report of the finances of the Bank has been formed in such a manner as to impress the public with a much too favourable opinion of them. According to that very concise account, their assets, including 11,686,800*l.* said to be due to government, are made to amount to 17,597,280*l.* and their debts only to 13,770,390*l.*; so that it may be inferred from hence that they are possessed of a surplus, after discharging every demand, of *fifteen millions and a half*. As far as relates to their *creditors*,
the

the affairs of the Bank, when all that is due shall have been paid to them, may be considered as perfectly secure; but as to the *proprietors*, they have no such consolation, as will appear from the following statement :

BANK ACCOUNT *on the 25th of February, 1797.*

Debtor.	£.	Creditor.	£.
Outstanding debts, including $8\frac{1}{2}$ millions nearly for Bank notes, about 2 millions for deposits of their different customers as a banking company, unpaid dividends, &c. &c.	13,770,390	Cash lent to government	9,964,413
Stock due to the proprietors, supposing them to be paid at <i>par</i> .	11,686,800	Other assets, including one million advanced on the new loan, money due from the East India Company, bills discounted, buildings, &c.	7,632,867
	<hr/>		<hr/>
	25,457,190		17,597,280
	<hr/>	11,686,800 <i>l.</i>	
		stock in the three per cents, at 50.	5,843,400
			<hr/>
			23,440,680
		Deficiency.	2,016,510
			<hr/>
			25,457,190
			<hr/>

L

Hence

Hence it is evident that on a capital of 11,686,800*l*.* there is a *deficiency* of more than *two millions*; or, in other words, that supposing the stock of each proprietor to be rated only at *par*, there will not be sufficient to pay him in the proportion of *seventeen shillings* in the pound. But if the stock be rated at its present price of 130*l*. which is 84 per cent. lower than it has been, he will not receive more than in the proportion of *thirteen shillings* in the pound. I know that it has been maintained that in estimating the affairs of the Bank, each 100*l*. stock ought to be regarded as an annuity of 7*l*. rather than as any specific sum, since they have always been enabled by their discounts and loans to government, to divide so much annually among the proprietors. But will any person say, that in settling the concerns of a merchant, the *future* profits of his trade are to be added to the balance in his favour?

* I believe, that though the Bank stock is 11,686,800*l*. the company divides only on 13,780,000*l*. or thereabouts. This will make some difference in favour of the proprietors, but not nearly to a sufficient amount to pay them *twenty shillings* in the pound even when their stock is valued only at *par*.

Assuredly

Affuredly not—and therefore it may very fairly be asserted, if the Bank were now to close their accounts, that though the creditor may receive the *whole*, the proprietor cannot possibly have more than *two-thirds* of the money he has advanced.

In examining the statements which have been laid before Parliament, it is impossible to regard the affairs of this company without concern. Had the directors confined themselves to the original design of their charter, no public events could have well injured their credit. Their funds were abundantly sufficient to afford every necessary assistance to a well regulated commerce;* and though their profits

* The discounts of the Bank ought undoubtedly to be always apportioned not only to the quantity of specie they possess, but also to the sums they have previously lent upon government securities.—I am disposed, however, to believe, that the deeper they have been in advance to government, and the less specie they have had in their possession, the more urgent have been the necessities of commerce, and consequently the more freely have they been obliged to increase their discounts. In the beginning of the year 1792, when they had twice as much specie as they wanted, their discounts were not equal to more than *one seventh* part of their amount in the following year, when their specie was reduced even below its proper medium. In December 1795, when the balance from the treasury

L 2

amounted

profits by this means would have been reduced, yet they might have satisfied themselves, like a prudent tradesman, with the pleasing reflection that those profits, depending upon no desperate speculations, acquired an additional and intrinsic value from their security. But in what manner have these directors conducted themselves? Long before the clause was introduced into a money bill to defeat the original design of their

amounted to twelve millions, while their specie in the course of a few months had sunk very nearly *one half*, the pressure upon trade was so great, and the applications for discounts so numerous, that they were obliged to advertise in the newspapers that they could not accommodate the public in this respect to the extent which was required of them. But though the balance from the treasury still continued, and their specie was diminishing at a very alarming rate, they will not deny that they discounted during the whole of the year 1796, to a much greater amount than they had done in the preceding year; and that within the last *three* months, especially since they have stopped payment, their discounts have exceeded those of any former period, excepting that short one in 1793, when all credit seemed to be hastening to destruction. There is no reason, therefore, to blame the Bank for not being sufficiently liberal in their discounts. The complaints of last year proved the extreme distress of commerce rather than any want of liberality on their part; nor is there the slightest ground for supposing that their interests have been injured in any other manner than by their connections with the treasury.

charter,

charter, they have proceeded in direct opposition to its wise and salutary restrictions, by advancing such immense sums to government,* that for many years it might have been supposed, from the intimate union subsisting between them and the treasury, that they were incorporated for the purpose of assisting the nation more easily and effectually to increase its expenditure, and thus plunge itself more deeply in debt, than as a private company prohibited under severe penalties from advancing any money to ministers without the consent of Parliament, and intended principally for the purpose of assisting the trade and manufactures of their country.† As
a friend

* In the year 1783, the Bank advances to the treasury were 11,279,000*l.* See Lord *Auckland's* pamphlet, page 41.

† It is very doubtful, however, whether trade wants such assistance. A commerce which has no solid foundation, and is carried on by the aid of a *fictitious paper-credit*, does more harm than good, by encouraging the speculations of every daring adventurer, and enabling him to involve the prudent and temperate tradesman in the same ruin with himself. This matter was certainly regarded in a very different light about forty or fifty years ago. At that time the *genuine* British merchant, whose trade was founded upon real and substantial property, would have thought himself grossly insulted, if he
had

a friend to peace and to the happiness of mankind, I am no friend to institutions so grossly perverted and abused. Too long have they served as arsenals from which avarice and ambition have been furnished with implements to deluge the world with blood. How far the late directors of the Bank have contributed by their conduct to these desolating calamities, I shall leave to be determined by their own consciences;—perhaps the time may not be very distant when others will assume the right of determining them.

had been told that his credit depended upon the discounts of the bank. But things appear to be changed of late in this respect, and I am afraid not much for the better.—See note, page 71.

CONCLUSION.

HAVING now given some account of the unprecedented expences of the war, and its effects in increasing the debts and endangering the credit of the kingdom, it cannot be necessary, in addition to these alarming and incontrovertible facts, to employ any further arguments to reprobate the profusion and incapacity which have reduced us to our present condition. The ministers and their adherents have long been accustomed to represent the enemies of the war and the advocates for peace, as the enemies of the state, and friends of anarchy and plunder. It would indeed be a miserable waste of time to refute such foolish calumnies, or to prove that it is possible to have an interest in the welfare, without rioting on the spoils of a country. The property, the connections, or the attachment of every person, who is not completely profligate, must

must give him an interest in the happiness and prosperity of the state, and, therefore, render it impossible for him to regard the events of the present moment with unconcern. Our situation becomes daily more perilous, and unless a more temperate and frugal policy be soon adopted, and those abuses be reformed which have proved the source of all our misfortunes, it will be as vain to cherish the hope of avoiding destruction as it has hitherto been unprofitable to bewail the progress of it.

The fictitious coinage of paper, by enabling the minister to increase the public expence and the merchant to overtrade his capital, has given the nation a very false appearance of wealth and magnificence. But the bubble has swollen till it has burst, and we are now brought to the edge of a tremendous gulf, from which the utmost exertions of virtue and wisdom can hardly save us. I wish it were possible to perceive more evident traces of either in the measures which are now pursuing, and that the gloomy prospect which depresses every friend to his country were cheered with one ray, to announce the approach of those more auspicious times, when

our commerce, no longer employed as the instrument of war, shall serve to extend our friendly and beneficial intercourse with mankind ; and when our credit, established on its firmest foundations, peace, œconomy, and liberty, shall secure to *Great Britain* that dignified respect and honour which shall place her among the most envied nations of the world.

APPENDIX.



THE Select Committee having just published their First Report on the Public Finances, I did not procure a copy of it till the greater part of this work had been printed off. As far, however, as I have compared their statements with my own, on the subject of the national debt, I find no material difference between them, except in regard to the Navy and Exchequer bills, which were funded in November last.—I had observed, in a note, page 20, that the account of this part of the debt had not then been laid before Parliament. From the Report of the Committee, it now appears, that out of the sum of 14,493,167*l.* which was due on these bills (the whole of which I had supposed

posed to have been funded in the *three per cents*) only the sum of 13,029,399*l.* has been funded at all;—and this sum, instead of being converted into one stock, has been invested in the following manner :

		£.
In the 3 <i>per cents</i>	—	18,426,496
4 <i>per cents</i>	—	858,744
5 <i>per cents</i>	—	2,290,534
		<hr/>
Whole capital		21,575,774
		<hr/>

In consequence of this alteration, the capital of the debt is lessened, and the interest increased, but neither of them in such a degree as to deserve much attention. The remaining sum of 1,463,768*l.* which has not been converted into stock, now forms a part of the unfunded debt; so that, instead of the sum of 14,906,456*l.* to which I have made this debt amount (exclusive of the unprovided extraordinaries of the army, navy, &c.*), it is now increased to 16,370,224*l.* which is very nearly the sum

it is stated to be in the Report of the Select Committee.* By this means, the funded debt is proportionably reduced, and therefore it will be necessary to give the following more correct account of it.

* The unfunded debt (exclusive of the anticipation upon the land and malt taxes) is here said to be 16,020,912*l.*;— but I forbear at present from making any observations on this account.

	Principal. £.	Interest & Manag. £.
Debt contracted prior to the year 1788, from page 49 .	—	—
Borrowed in 1789, from page 50	255,789,287	9,181,019
	1,119,709	59,470
	£.	
Ditto in the <i>three per cents</i> , in 1793, 1794, 1795, page 29	35,250,000	
Ditto — in December 1795	26,095,800	
Ditto — in April 1796	10,793,825	
Navy and Exchequer bills, funded in November 1796	18,426,496	
	—	2,757,739
Borrowed in the <i>four per cents</i> , in 1794 and 1795	8,750,000	
Navy and Exchequer bills, funded in November 1796	858,744	
	—	388,674
Navy debt, funded in the <i>five per cents</i> , in 1794, 1795, and 1796	28,200,496	
Navy and Exchequer bills, funded in November 1796	2,290,534	
	—	1,538,272
229,932 <i>l. per ann.</i> in the long annuities, in 1794, 1795, and 1796, value	30,491,030	
	4,621,100	229,932
Whole capital of the <i>funded</i> debt, and its interest	392,195,991	14,155,106
Annual sum set apart for the sinking fund	—	1,341,411
Total of the annual interest and charge on the funded debt	—	15,496,517

If to the capital of the funded debt be added 16,370,224*l.* the amount of the unfunded debt, and 25,982,797*l.** the probable amount of the unprovided extraordinary of the Navy and Army, and of the expence attending the close of the war, the whole of the debt will exceed 434 millions, should this ruinous contest terminate even with the present campaign. Nor can it be less than 410 millions, exclusive of the Emperor's loan, when all the stock which has been purchased by the commissioners† is deducted from the amount. But we have very little reason for excluding the Imperial loan, or supposing that the addition to the present debt will not be much greater than I have stated it. When we consider that a second loan is announced at this time for the Emperor, together with a new loan for Ireland, and also a

* See page 36.

† The capital stock which was purchased on the 16th of March last appears, by the report of the committee, to be 23,334,200*l.*

large one for Great Britain, we shall, I think, find it difficult to assign any limits to the magnitude of our incumbrances.

FINIS.

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